

ID: CCA_2011091909414537

Number: **201139009**

Office:

Release Date: 9/30/2011

UILC: 6231.03-00

From:

Sent: Monday, September 19, 2011 9:41:51 AM

To:

Cc:

Subject: RE: 183 and TEFRA

The application of section 183 is a partnership item. Treas. Reg. 301.6231(a)(3)-1(b). This is a taxpayer favorable conclusion since otherwise a partnership deduction would be disallowed in its entirety under sections 162 and 165 if not engaged in for profit. Section 183 allows the deduction in activities not engaged in for profit up to the amount of income generated from that activity.

So you treated the issue appropriately.